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SUBJECT: POLAND: AMBASSADOR'S COURTESY CALL ON NEW  
MINISTER OF TRANSPORT AND CONSTRUCTION POLACZEK

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11. (U) Ambassador called on new Minister of Transport and Construction, Jerzy Polaczek, on December 9 to discuss the new government's plans for speeding up infrastructure development. Minister Polaczek commenting that his first priority was to ensure that he spent the government's resources wisely. In discussing his plans to improve Poland's road infrastructure, Polaczek explained that he plans to change the financial model used to build and rehabilitate roads and develop a priority list for road development that will include completing a North-South and East-West highway by 2010. He hopes that both American and EU investors will be interested in investing in Polish roads.

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Roads are a top priority, ...  
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12. (U) Ambassador noted that developing the road infrastructure is critical to Poland's further economic development. Some U.S. companies decided not to invest in Poland because of the difficulties in transporting goods out of the country. Polaczek replied that he had requested a debate in the Sejm to discuss infrastructure. Responding to the Ambassador's inquiry about the major obstacles to building 4 lane highways, Polaczek stated that the law must be corrected to use budgeted funds more speedily. Citing 2005 as a bad example, he also said that more EU funds should be used. The new government believes that the existing concession system for road building is not working, it's too expensive and too time consuming and that new commercial solutions should be found. He wants to increase Polish budget resources as well as EU funds allocated to roadway construction. He is considering new financial tools as well as special purpose companies and task forces to speed development.

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But so are telecom, air transport, housing, urban renewal  
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13. (U) Polaczek noted that his other priorities as minister are to work on changes in the telecommunications law, continue participation in the EU-US air transport agreements, and increase the number of housing units available throughout Poland. Poland will not give up its public housing system but he hopes to encourage commercial developers by proposing a new construction law that will eradicate obstacles to investment. He is also working on a program to work with municipalities to invigorate community spaces, using an EU program as a model. He added that 2006 will be a good year for railroads in Poland, as investment in the system will increase five-fold using resources from road taxes, fuel taxes, loans from the European Investment Bank (EIB) and bonds.

14. (U) Polaczek concluded by noting that he is interested in more cooperation with U.S. Secretary of Transportation Mineta. He added that he was in a meeting with Secretary Mineta in 2004. He hopes to visit the U.S. in 2006 and would like to meet with Secretary Mineta during his visit.

15. (SBU) Comment: Minister of Transport and Construction Polaczek is faced with an enormous challenge that his predecessors were unable to overcome - rebuilding Poland's crumbling infrastructure with limited resources. To be successful he will have to change existing laws that require environmental impact studies for the entire voivoid when undertaking any construction, change bureaucratic procedures hindering usage of EU funds, convince local government officials to work together, and develop new commercial and financial vehicles that will attract investors. Polaczek is a young PiS insider with a legal background and strong civil service experience. We will watch his actions closely to determine whether his new plans create opportunities for U.S. companies or investors.

HILLAS